

Last Reviewed: May 2008

Date: July 2011

Review: July 2014

RENT COLLECTION AND ARREARS RECOVERY

1.0 Policy Statement

SLH aims to maximise the rental income collected and to take a sensitive approach to arrears recovery.

2.0 Strategic Links

Cumbria Housing Strategy 2006 - 2011

The Cumbrian authorities and their partners have traditionally worked in collaboration to develop housing services within the County. With a stronger regional framework we need to strengthen the sub-regional identity of Cumbria within that framework.

All of Cumbria's stakeholders agreed that by working together they would be able to improve the planning, implementation and delivery of all housing services within the sub-region. Particular emphasis is on the way our housing and planning services can improve the ability of Cumbria's housing markets to respond to social and community needs.

To deliver sustainable communities our sub-regional fit-for-purpose housing strategy will be integrated with complementary planning and economic development strategies.

3.0 Key Objectives

SLH aims to be a high performing income recovery service. The housing management teams will implement a firm but fair rent collection and income arrangement recovery service.

Achieving a reduction in rent arrears by collecting rent due.

Achieving maximum housing benefit take up and accurate payment of benefit through liaising with SLDC's housing benefit department and in-house verifications.

Developing a culture of payment by promoting methods of payment at accompanied viewing, and ensure a payment card or a Direct Debit is established at sign-up

Providing a range of accessible and flexible payment methods that are regularly advertised. For example: Post Office payment card, Direct Debits, Internet and Telephone payments.

Making sure customers have the access to information that they need by providing both Quarterly rent statements and Customer information leaflets.

Those with special circumstances and vulnerability will be signposted for advice and assistance provided by one of the following agencies: Age Concern, Floating Support (Impact and Stonham), Oakleigh Trust, CAB and Shelter.

Preventing homelessness, wherever possible by appropriate intervention and timely advice, by referral to a homeless prevention officer at SLDC.

Working with other agencies to promote financial inclusion strategies and joined up service delivery.

Developing action plans each financial year that provides challenging methods of income recovery and should form part of staff one-to-one discussions with individual targets being set.

4.0 **Key Standards**

Senior Housing Officers, Housing Officers and Housing Assistants must follow the detailed procedure set out in the escalation procedure and guides for dealing with bankruptcy and debt relief orders.

Prior to starting rent arrears recovery action against new cases, the Housing Officer must check the person's database on the Anite system in regard to vulnerability. If it is known that the tenant has difficulty in reading or understanding the information given, the housing officer should take reasonable steps to ensure that the tenant understands any information given.

Procedures will be put in place and relevant staff will be trained to make sure that consistent services are delivered in line with good practice requirements and policy objectives.

Arrears issues will be resolved with tenants by discussions and negotiations without recourse to litigation whenever possible. Litigation will only be used as a last resort and will not be considered whilst a settlement or agreement is being explored.

Payment Methods

The following payment methods will be made available: -

- Direct Debit
- Allpay Swipe Card
- Debit Card
- Standing Order
- Touch-tone Telephone
- Online payment
- Direct payment from the Benefits Agency
- Payments by post to one of the Council's offices

South Lakes Housing will give consideration to additional and/or alternative means of payment having regard to customer service needs effectiveness and cost.

Housing Officers at the sign-up interview will assist in the completion of any housing benefit forms and signpost applicants to SLDC Housing Benefit Department for detailed advice. The importance of regular payments and the consequences of non-payment will be stressed.

Tenants who are not claiming housing benefit will be encouraged to pay their rent by Direct Debit. All new tenants will be issued with a rent payment card.

Rent statements will be sent out twice a year. In addition, rent account statements indicating all transactions will be sent to tenants on request. Procedures are in place to ensure accurate recording of payments made.

Whenever a payment is missed attempts will be made to establish an affordable repayment pattern based upon the tenant's income and expenditure. Any agreements made to clear the debt with the tenant will be recorded on Anite and confirmed in writing.

Where it is clear that more expert financial advice or Welfare Benefits advice is needed the tenant should be signposted to any of the following; Citizens Advice South Lakeland, Shelter, Christians Against Poverty (CAP) or if the tenant is over 50 years to Age UK.

Where tenants persistently owe arrears at a low level, Senior Housing Officers should consider seeking a Money Order through the Small Claims Court.

Possession proceedings will not be actioned against a tenant who can demonstrate that they have provided SLDC with all the evidence required to process a housing benefit claim or, has a reasonable expectation of eligibility to housing benefit.

All efforts will be made by housing management teams to establish effective ongoing liaison with housing benefits about the tenant's claim before taking enforcement action.

If the tenant meets the appropriate criteria, staff will arrange for the arrears to be paid from the tenant's benefits by the Department for Work and Pensions.

Contact and Advice

All tenants will be advised of the identity of their local Housing Officer and encouraged to make contact to discuss any problem they may have in paying their rent.

Housing Officers will establish direct contact with tenants, assess tenants' problems and agree realistic arrangements for repayment. It is essential at this stage that Officers ensure that tenants are receiving full advice/assistance and in particular, establish their eligibility for Housing Benefit. In addition to the quarterly liaison meetings, regular contact will be made with the Housing Benefit section to ensure applications are processed promptly.

Tenants will be referred to the Citizens Advice Bureau or the Shelter Office for debt management advice where appropriate or to Christians Against Poverty (CAP) or if the tenant is over 50 years to Age UK for debt counseling.

Flexible out-of-hours visits will be undertaken if the tenant is in employment or where there have been difficulties in establishing contact during working hours. Other contact methods available are: letters, e-mails, telephoning, texting, home visits and office interviews.

Where issues of vulnerability are evident staff will refer or liaise with the appropriate care or support agency to ensure the tenant receives support.

Whenever contact is made in writing, the Senior Housing Officer or Housing Officer must write separately to each named tenant.

Whilst a serious view will be taken of outstanding rent arrears, it is recognised that many tenants are financially or otherwise disadvantaged and a caring and sympathetic approach will be adopted. The specific needs of minority ethnic groups, people with disabilities and elderly persons will be taken into account in the arrears recovery process.

Legal Action

Providing arrangements are maintained, no further action will be taken but in the event of default, a Notice of Seeking Possession (NoSP) will be served subject to individual circumstances.

When serving a NoSP, Senior Housing Officers, Housing Officers and Housing Assistants must follow the procedure set out in the table in the Escalation Procedure of the Quality Assurance Manual.

Further efforts will continue to be made by staff to establish regular payments and closer monitoring of the accounts will be maintained.

Where practical methods have failed, repossession proceedings through the County Court will be taken. In cases where the tenant is unable to clear the debt in full but is indicating willingness to make payments, a postponed possession order would normally be sought.

Throughout all the above stages, staff will continue to offer advice/assistance including benefit and financial advice from outside agencies such as the Citizens Advice Bureau. Nevertheless, South Lakes Housing has a duty to all its tenants to keep costs to a minimum and will not hesitate to take legal action if a tenant refuses help or fails to cooperate or give proper priority to the payment of their rent.

If a tenant does not attend the court hearing for possession, the Senior Housing Officer should normally request an immediate possession order unless a firm prior arrangement for terms for a postponed possession order have been made.

Where a tenant has defaulted on the terms of the possession order, the Senior Housing Officer should make personal contact with the tenant to issue a deadline for compliance.

Ultimately, if having obtained a Court Order, the tenant fails to respond a Warrant of Execution will be sought and the tenant evicted.

Where a tenant applies to the court for the suspension of an eviction warrant, the Senior Housing Officer should oppose the application unless the rent account has been cleared.

Where an eviction is called off, the Senior Housing Officer must notify the court bailiff and the Maintenance Surveyor (in order that the works order for a change of locks is cancelled).

Former Tenants' Arrears

Refer to the Former Tenant Arrears Recovery Policy.

Other Sundry Debts

Once again, early contact must be established with the debtor and a method of repayment agreed. Normally, as many may have left the area, this will be done by correspondence but, where practicable, this should be done in person.

Failure of the debtor to respond or to maintain an agreement will result in the use of legal action.

If after all reasonable attempts to recover the sum outstanding have failed, the debt may be written off in accordance with Financial Regulations. It is recognised that some small debts will be uneconomical to recover through the Courts and may be written off in consultation with the Director of Finance, and in accordance with Financial Regulations.

Bankruptcy and Debt Relief Orders

South Lakes Housing will not recognise a bankruptcy or debt relief order until they have received an official copy, or verified the order via the Insolvency Service website. Only debts listed within the order will be dealt with within our guidelines.

5.0 Quality Management

SLH operates a quality management system to the BS EN ISO 9001:2000 Standard that is verified by a recognised Certification Body, ISOQAR Limited.

Quality assured procedures relating to this Policy have been written and appear as follows: -

- QS22 Estate Inspection (Quality Procedures Manual)
- QS23 Recovery of Current Tenants' Arrears Escalation Procedure (Quality Procedures Manual)
- QS24 Recovery of Former Tenants' Arrears / Write-offs (Quality Procedures Manual)
- QS34 Process for dealing with Debt Relief and Bankruptcy Orders
- RAPR.1 Current Rent Arrears Escalation Procedure – Current Tenants (Quality Assurance Manual)
- RAPR.2 Former Tenants' Arrears Procedure (Quality Assurance Manual)
- RAPR.3 Debt Relief and Bankruptcy Orders Procedure

6.0 Key Targets and Performance Indicators

- Proportion of rent collected (BVPI 66a)
- Rent arrears of current tenants as a percentage of the annual debit
- Rent written off as not collectable as a proportion of the Authority's rental roll
- Percentage of tenants owing more than seven weeks rent (BVPI 66b)
- Percentage of tenants served with NoSP for arrears (BVPI 66c)
- Percentage of tenants evicted (BVPI 66d)

7.0 Monitoring, Review and Consultation Process

Regular reports will be made to the Board detailing South Lakes Housing's position with regard to rent collection and arrears recovery.

Annual report to tenants and regular reports to Tenants' Committee and tenants groups.

8.0 Service Development and Review Priority

Policy Review Priority: Medium, to be reviewed no less than every three years.

9.0 Equality and Diversity

South Lakes Housing recognises that there is a broad range of visible and non-visible differences that characterise its tenants. Some of these qualities include race, religion, culture, nationality, ethnic background, colour, disability, sex, sexual orientation, age, literacy and income level. By understanding and respecting this diversity it is able to set a policy which ensures that all tenants are able to access services provided by South Lakes Housing in an equitable manner.

South Lakes Housing is committed to providing information and services equally and without discrimination so that they meet the needs of all sections of the community. These include our tenants, leaseholders and those living nearby or seeking access to or information on housing services in the South Lakeland area. In carrying out all housing management policies, South Lakes Housing's Equality and Diversity Policy will be adhered to.

